



**2020 Capitalization Rate Study
Incorporated Pipelines**

FINAL

Completed: April 28, 2020

MONTANA DEPARTMENT OF REVENUE

Yield Capitalization Rate Conclusion

Industry: Incorporated Pipelines

2020 Assessment Year

Capital Structure ^[1]

Equity	55.00%
Debt	45.00%

Equity Cost of Capital

		Weighting
Capital Asset Pricing Model - Ex Post ^[2]	13.69%	35%
Capital Asset Pricing Model - Ex Ante ^[2]	10.57%	35%
3 Stage Dividend Discount Model - Dividends ^[3]	11.80%	15%
3 Stage Dividend Discount Model - Earnings ^[3]	14.80%	15%
Weighted Average	12.48%	100%
Selected Cost of Equity	<u>12.50%</u>	

Debt Cost of Capital

		Weighting
A - Mergent's - Avg. YTM of A Rated Corporate Bonds ^[4]	3.36%	0%
Baa - Mergent's - Avg. YTM of Baa Rated Corporate Bonds ^[4]	3.88%	100%
Ba - MTDOR - Avg. YTM of Ba Rated Corporate Bonds ^[5]	6.58%	0%
Weighted Average	3.88%	100%
Selected Cost of Debt	<u>3.90%</u>	

Weighted Average Cost of Capital (WACC)

Source of Capital	Capital Structure	Cost of Capital	Marginal Tax Rate	After-tax Cost of Capital	Weighted Cost
Equity	55.00%	12.50%		12.50%	6.88%
Debt	45.00%	3.90%	24.00%	2.96%	1.33%
WACC	100.00%				8.21%
WACC (Rounded)					8.30%

Notes

- [1] From worksheet: Capital Structure
- [2] From worksheet: Capital Asset Pricing Model Summary
- [3] From worksheet: Yield Equity Summary
- [4] January 2020, Mergent Bond Record
- [5] Montana Department of Revenue High Yield Debt Study

MONTANA DEPARTMENT OF REVENUE

Direct Capitalization Rate Conclusion

Industry: Incorporated Pipelines

2020 Assessment Year

Capital Structure ^[1]

Equity	55.00%
Debt	45.00%

Equity Capitalization Rate ^[2]

NOI After-tax	4.55%
GCF	9.65%

Debt Capitalization Rate ^[3]

Calculated Current Yield	4.90%
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NOI After-tax Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Capitalization Rate	Weighted Capitalization Rate
Equity	55.00%	4.55%		4.55%	2.50%
Debt	45.00%	4.90%	24.00%	3.72%	1.68%
Total	100.00%				4.18%
Total (Rounded)					4.20%

GCF Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Capitalization Rate	Weighted Capitalization Rate
Equity	55.00%	9.65%		9.65%	5.31%
Debt	45.00%	4.90%	24.00%	3.72%	1.68%
WACC	100.00%				6.98%
Total (Rounded)					7.00%

MONTANA DEPARTMENT OF REVENUE

Selection of Guideline Companies

Industry: Incorporated Pipelines

2020 Assessment Year

Screening Requirements:

The universe of companies is all companies listed in Value Line under the Oil-Gas Distribution industry.

Companies were then selected using the following screening criteria:

1. Engaged primarily in providing midstream transportation services.
2. Incorporated as a corporation (not a partnership).
3. Actively traded on an American exchange.
4. Headquartered / incorporated in the United States
5. No significant merger & acquisition activity during the year.

Company Ticker	Midstream transportation	Not a partnership	Actively traded on an American exchange	Incorporated in U.S.	Consider as Potential Guideline Company	Not Engaged in Material M&A Activity	Use as Guideline Company	Note
AM						No		
CLNE	No							
ENB.TO			No					
ENLC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
INT	No							
KMI	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
LNG	No							
OKE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
PPL.TO			No					
TELL	No							
TRP	Yes	Yes	Yes	No				
WMB	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

MONTANA DEPARTMENT OF REVENUE

**Support for Capital Structure
Industry: Incorporated Pipelines
2020 Assessment Year**

(\$ and Shares Outstanding In Millions, Except Per Share Amounts)

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker Symbol	Company	Industry Group	Financial Strength	Shares Outstanding	End of Year Closing Stock Price	MV Common Stock	MV Preferred Stock	MV Long Term Debt	PV of Operating Leases	Total Common, Preferred, LT Debt, & Op Leases	% Common	% Preferred	% Debt & Op Leases
		Value Line	Value Line	10-K	Yahoo	ExF	10-K	10-K	10-K	G+H+I+J	G/K	H/K	(I+J)/K
							Note [1]	Note [2]					
ENLC	EnLink Midstream LLC	OILGAS	C+	488	6.13	2,990	0	4,444	103	7,537	40%	0%	60%
KMI	Kinder Morgan Inc.	OILGAS	B	2,265	21.17	47,949	0	38,016	696	86,661	55%	0%	45%
OKE	ONEOK Inc.	OILGAS	B+	413	75.67	31,270	0	13,800	15	45,085	69%	0%	31%
WMB	Williams Cos.	OILGAS	B	1,212	23.72	28,760	35	25,319	209	54,323	53%	0%	47%
All Companies						110,969	35	81,579	1,023	193,607	57%	0%	43%
Average											54%	0%	46%
Median											54%	0%	46%
Trimmed Average											54%	0%	46%
High											69%	0%	60%
Low											40%	0%	31%
Say											55%		45%

Notes:

[1] Market value of preferred stock assumed to equal book value

[2] Market value of debt is fair value of long term debt from 10-K notes

MCA 15-1-210, rationale for changes to guideline companies:

2020 - Added WMB

2020 - Removed TRP for not being incorporated in U.S.

YE 2019	55%	0%	45%
YE 2018	50%	0%	50%
2YR AVG	53%	0%	48%

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Incorporated Pipelines

2020 Assessment Year

$$k_e = R_f + \beta \times ERP$$

		<i>Ex Post</i>	<i>Ex Ante</i>
k_e =	Cost of Equity	13.69%	10.57%
R_f =	Risk Free Rate	2.25%	2.25%
β =	Beta	1.60	1.60
ERP =	Equity Risk Premium ($R_m - R_f$)	7.15%	5.20%
R_m =	Market Rate of Return	9.40%	7.45%

Risk Free Rate Measures (R_f):

The Value Line Investment Survey: Selection & Opinion^[1]

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Selected Yields on Taxable U.S. Treasury Securities as of 12/24/19

10-year	1.90%
30-year	2.33%

Federal Reserve Statistical Release^[2] and U.S. Department of the Treasury, Daily Treasury Yield Curve Rates^[3]

U.S. government securities, Treasury constant maturities, Nominal, December 31, 2019

10-year	1.92%
20-year	2.25%
30-year	2.39%

Risk Free Rate Selected

2.25%

Notes

[1] "Value Line Selection & Opinion", Value Line (January 3, 2020)

[2] <https://www.federalreserve.gov/datadownload/Choose.aspx?rel=H.15>

[3] <https://www.treasury.gov/resource-center/data-chart-center/interest-rates/>

Ex Post - Equity Risk Premium Measures ($ERP = R_m - R_f$)

Duff & Phelps, 2020 Cost of Capital Navigator

		R_m ^[4]	R_m	R_f	ERP
ERP "Historical" - <i>Ex Post</i>	Arithmetic Avg.	9.40%	9.40%	2.25%	7.15%
ERP "Supply-side" - <i>Ex Post</i>	Arithmetic Avg.	8.42%	8.42%	2.25%	6.17%
Ex Post Equity Risk Premium Selected		9.40%		2.25%	7.15%

Ex Ante - Equity Risk Premium Measures ($ERP = R_m - R_f$)

DOR 3 Stage Dividend Growth Model, S & P 500, See Exhibit

	R_m ^[4]	R_m	R_f	ERP
ERP - <i>Ex Ante</i>	7.35%	7.35%	2.25%	5.10%

Duff & Phelps, 2020 Cost of Capital Navigator

	R_m ^[4]	R_m	R_f	ERP
ERP "Conditional" - <i>Ex Ante</i>		8.00%	3.00%	5.00%

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Incorporated Pipelines

2020 Assessment Year

$$k_e = R_f + \beta \times ERP$$

Damodaran Implied ERP (Jan 8, 2020)

	<u>R_m</u> ^[4]	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
Implied Premium (FCFE) - <i>Ex Ante</i>	7.45%	7.12%	1.92%	5.20%
Implied Premium (FCFE with sustainable payout) - <i>Ex Ante</i>	7.31%	6.98%	1.92%	5.06%

	<u>R_m</u> ^[4]	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
<u>Average</u>	7.37%	7.36%		5.09%
<u>Median</u>	7.35%	7.24%		5.08%
<u>High</u>	7.45%	8.00%		5.20%
<u>Low</u>	7.31%	6.98%		5.00%

Equity Risk Premium Selected

7.45%	2.25%	5.20%
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Notes

MONTANA DEPARTMENT OF REVENUE

Support for Beta Selection in CAPM

Industry: Incorporated Pipelines

2020 Assessment Year

A	B	C	D	E
Ticker Symbol	Company	Industry Group	Financial Strength	Beta
		<i>Value Line</i>	<i>Value Line</i>	<i>Value Line</i>
ENLC	EnLink Midstream LLC	OILGAS	C+	1.80
KMI	Kinder Morgan Inc.	OILGAS	B	1.40
OKE	ONEOK Inc.	OILGAS	B+	1.45
WMB	Williams Cos.	OILGAS	B	1.90
Average				1.64
Median				1.63
Trimmed Average				1.63
High				1.90
Low				1.40
Say				1.60

MONTANA DEPARTMENT OF REVENUE

Inflation & Real Growth
Industry: Incorporated Pipelines
2020 Assessment Year

A	B	C	D	Nominal Growth	
				E	F
Source Description	Inflation (CPI)	Real Growth (GDP)	Nominal Growth	Low	High
Livingston Survey ^[1]	2.19%	2.14%	4.33%		
Survey of Professional Forecasters ^[2]	2.23%	2.03%	4.26%		
Congressional Budget Office ^[3]	2.40%	2.20%	4.60%		
Average	2.27%	2.12%	4.40%		
Median	2.23%	2.14%	4.37%		
High	2.40%	2.20%	4.60%		
Low	2.19%	2.03%	4.22%		
Selected	2.20%	2.20%	4.40%	4.22%	4.60%

Inflationary Trend Factors						
Year	Dec. CPI-U Index	Percent Change From Previous	Dec. to Dec. Conversion Factor	Annual Avg. CPI-U Index	Percent Change From Previous	Annual Conversion Factor
	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>
2007	210.036		1.2235	207.342		1.2330
2008	210.228	0.1%	1.2224	215.303	3.7%	1.1874
2009	215.949	2.6%	1.1900	214.537	-0.4%	1.1917
2010	219.179	1.5%	1.1724	218.056	1.6%	1.1724
2011	225.672	2.9%	1.1387	224.939	3.1%	1.1366
2012	229.601	1.7%	1.1192	229.594	2.0%	1.1135
2013	233.049	1.5%	1.1027	232.957	1.4%	1.0974
2014	234.812	0.8%	1.0944	236.736	1.6%	1.0799
2015	236.525	0.7%	1.0865	237.017	0.1%	1.0786
2016	241.432	2.0%	1.0644	240.007	1.2%	1.0652
2017	246.524	2.1%	1.0424	245.120	2.1%	1.0430
2018	251.233	1.9%	1.0229	251.107	2.4%	1.0181
2019	256.974	2.2%	1.0000	255.657	1.8%	1.0000

Notes

[1] Federal Reserve Bank of Philadelphia The Livingston Survey December 13, 2019 Table 3 Inflation Rate and Real GDP mean

<https://www.philadelphiafed.org/research-and-data/real-time-center/livingston-survey>

[2] Federal Reserve Bank of Philadelphia Survey of Professional Forecasters February 14, 2020 Table 8 and Table 9 Average over next 10-Year mean

<https://www.philadelphiafed.org/research-and-data/real-time-center/survey-of-professional-forecasters/2020/survq120>

[3] Congressional Budget Office, The Budget and Economic Outlook: 2020 to 2030, Table 2-1

<https://www.cbo.gov/about/products/budget-economic-data#4>

[5] Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items, index averages (1982-84=100, unless otherwise noted)

<https://www.bls.gov/cpi/tables/supplemental-files/historical-cpi-u-202001.pdf>

[6] (Row year - Previous Year) / Row Year

[7] Most current year / Row year

MONTANA DEPARTMENT OF REVENUE

3 Stage Dividend Discount Model (DDM)

Industry: Incorporated Pipelines

2020 Assessment Year

$$k_e = (D_1 / P_0) + g$$

k_e = Cost of Equity

D_1 = Expected Dividend

P_0 = Current Price Per Share

g = Sustainable Long-Term Growth

A	B	C	D	E	F	G	H	I
Ticker	Company	2019 Year End Stock Price	2020 Est Div'ds Decl'd per sh	Expected Equity Payout Yield	Sustainable Long-Term Growth Rate ^[1]	Sustainable Long-Term Growth Rate ^[1]	Cost of Equity Dividend Growth	Cost of Equity Earnings Growth
		<i>Yahoo</i>	<i>Value Line</i>	<i>D/C</i>	<i>Dividends</i>	<i>Earnings</i>	<i>E+F</i>	<i>E+G</i>
		P_0	D_1	D_1/P_0	g	g	k_e	k_e
ENLC	EnLink Midstream LLC	6.13	1.12	18.27%	0.36%	36.61%		
KMI	Kinder Morgan Inc.	21.17	1.20	5.67%	5.23%	9.47%	10.90%	15.13%
OKE	ONEOK Inc.	75.67	3.90	5.15%	7.27%	9.03%	12.42%	14.19%
WMB	Williams Cos.	23.72	1.60	6.75%	5.31%	8.27%	12.05%	15.01%
Average							11.79%	14.78%
Median							12.05%	15.01%
High							12.42%	15.13%
Low							10.90%	14.19%
Selected							11.80%	14.80%

Notes:

[1] From worksheet: DDM Sustainable Long-Term Growth

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Short Term Growth Rate Calculations

Industry: Incorporated Pipelines

2020 Assessment Year

A	B	C	D	E	F	G
Ticker	Company	End of Year Closing Stock Price	Div'ds Decl'd per sh 2020 Est	Expected Dividend Yield	Div'ds Decl'd per sh 2023-2025 Est	Short-Term Growth Rate
		<i>Yahoo</i>	<i>Value Line</i>	<i>D / C</i>	<i>Value Line</i>	<i>Note [1]</i>
ENLC	EnLink Midstream LLC	6.13	1.13	18.43%	1.13	0.00%
KMI	Kinder Morgan Inc.	21.17	1.20	5.67%	1.50	5.74%
OKE	ONEOK Inc.	75.67	3.90	5.15%	5.50	8.97%
WMB	Williams Cos.	23.72	1.60	6.75%	2.00	5.74%

A	B		C		D	E
Ticker	Company		Earnings per share 2020 Est		Earnings per share 3-5 years Est	Short-Term Growth Rate
			<i>Value Line</i>		<i>Value Line</i>	<i>Note [1]</i>
ENLC	EnLink Midstream LLC		0.20		0.75	39.16%
KMI	Kinder Morgan Inc.		1.15		1.80	11.85%
OKE	ONEOK Inc.		3.75		5.80	11.52%
WMB	Williams Cos.		1.10		1.60	9.82%

Notes

[1] 5 year compound annual growth rate (CAGR) - 4 periods

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Support for DDM - Sustainable Long Term Growth

Industry: Incorporated Pipelines

2020 Assessment Year

Dividend Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Dividend Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1:D_{500}$	$g = IRR - Div. \text{ Yield}$						
ENLC	EnLink Midstream LLC	6.13	0.00%	4.40%	18.43%	18.79%	0.36%	(6.13)	1.13	1.13	1.13	1.13	1.13
KMI	Kinder Morgan Inc.	21.17	5.74%	4.40%	5.67%	10.90%	5.23%	(21.17)	1.20	1.27	1.34	1.42	1.50
OKE	ONEOK Inc.	75.67	8.97%	4.40%	5.15%	12.42%	7.27%	(75.67)	3.90	4.25	4.63	5.05	5.50
WMB	Williams Cos.	23.72	5.74%	4.40%	6.75%	12.05%	5.31%	(23.72)	1.60	1.69	1.79	1.89	2.00

Earnings Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Earnings Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1:D_{500}$	$g = IRR - Div. \text{ Yield}$						
ENLC	EnLink Midstream LLC	6.13	39.16%	4.40%	18.43%	55.04%	36.61%	(6.13)	1.13	1.57	2.19	3.05	4.24
KMI	Kinder Morgan Inc.	21.17	11.85%	4.40%	5.67%	15.13%	9.47%	(21.17)	1.20	1.34	1.50	1.68	1.88
OKE	ONEOK Inc.	75.67	11.52%	4.40%	5.15%	14.19%	9.03%	(75.67)	3.90	4.35	4.85	5.41	6.03
WMB	Williams Cos.	23.72	9.82%	4.40%	6.75%	15.01%	8.27%	(23.72)	1.60	1.76	1.93	2.12	2.33

Notes:

[1] From worksheet: DDM Short Term Growth Rate Calculations

[2] From worksheet: Inflation & Real Growth

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Sustainable Long Term Growth

Industry: Incorporated Pipelines

2020 Assessment Year

Dividend	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
ENLC	1.13	1.14	1.14	1.14	1.15	1.15	1.15	1.16	1.16	1.16	1.17	1.17	1.17	1.18	1.18	1.23	1.29	1,117,889,273
KMI	1.58	1.67	1.77	1.87	1.97	2.09	2.20	2.33	2.46	2.60	2.75	2.90	3.06	3.24	3.42	3.57	3.73	3,237,791,417
OKE	5.98	6.49	7.06	7.67	8.33	9.06	9.84	10.70	11.62	12.63	13.73	14.92	16.21	17.61	19.14	19.98	20.86	18,122,327,042
WMB	2.11	2.23	2.36	2.49	2.63	2.78	2.94	3.10	3.28	3.46	3.66	3.87	4.09	4.32	4.56	4.76	4.97	4,317,055,222

Earnings	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
ENLC	5.80	7.93	10.86	14.86	20.33	27.82	38.07	52.10	71.29	97.56	133.50	182.68	249.98	342.08	468.10	488.70	510.20	443,177,795,239
KMI	2.09	2.33	2.59	2.89	3.22	3.58	3.99	4.44	4.94	5.51	6.13	6.83	7.60	8.47	9.43	9.84	10.28	8,925,890,804
OKE	6.70	7.44	8.26	9.17	10.18	11.31	12.56	13.95	15.49	17.20	19.10	21.20	23.55	26.15	29.03	30.31	31.65	27,488,753,685
WMB	2.55	2.79	3.05	3.34	3.66	4.00	4.38	4.80	5.25	5.75	6.29	6.88	7.54	8.25	9.03	9.43	9.84	8,547,603,185

MONTANA DEPARTMENT OF REVENUE

Support for Yield Capitalization Rate - Debt Rating

Industry: Incorporated Pipelines

2020 Assessment Year

A	B	C	D	E	F
Ticker Symbol	Company	Industry Group	Financial Strength	Moody's Long Term Rating	Numeric Rating
		<i>Value Line</i>	<i>Value Line</i>	<i>Moodys.com</i>	
ENLC	EnLink Midstream LLC	OILGAS	C+	Ba1	11
KMI	Kinder Morgan Inc.	OILGAS	B	Baa2	9
OKE	ONEOK Inc.	OILGAS	B+	Baa3	10
WMB	Williams Cos.	OILGAS	B	Baa3	10
All Companies					
Average					10
Median					10
Trimmed Average					10
High					11
Low					9
Say				Baa3	10

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Equity Capitalization Rates

Industry: Incorporated Pipelines

2020 Assessment Year

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Ticker Symbol	Company	End of Year Closing Stock Price	VL Historic EPS	VL Est EPS	VL Historic P/E Ratio	VL Est P/E Ratio	Ke Estimate - Earnings (Hist. P/E)	Ke Estimate - Earnings (Est. P/E)	VL Historic Cash Flow Per Share	VL Est Cash Flow Per Share	VL Historic P/CF Ratio	VL Est P/CF Ratio	Ke Estimate - Cash Flow (Hist. P/CF)	Ke Estimate - Cash Flow (Est. P/CF)
		<i>Yahoo</i>	<i>Value Line</i>	<i>Value Line</i>	<i>C/D</i>	<i>C/E</i>	<i>1/F</i>	<i>1/G</i>	<i>Value Line</i>	<i>Value Line</i>	<i>C/J</i>	<i>C/K</i>	<i>1/L</i>	<i>1/M</i>
ENLC	EnLink Midstream LLC	6.13	(2.38)	0.20	(2.58)	30.65		3.26%	3.11	0.80	1.97	7.66		13.05%
KMI	Kinder Morgan Inc.	21.17	0.96	1.15	22.05	18.41	4.53%	5.43%	2.03	2.20	10.43	9.62	9.59%	10.39%
OKE	ONEOK Inc.	75.67	3.00	3.75	25.22	20.18	3.96%	4.96%	3.84	4.25	19.71	17.80	5.07%	5.62%
WMB	Williams Cos.	23.72	0.98	1.10	24.20	21.56	4.13%	4.64%	2.07	2.40	11.46	9.88	8.73%	10.12%
Average					17.23	22.70	4.21%	4.57%			10.89	11.24	7.80%	9.79%
Median					23.13	20.87	4.13%	4.80%			10.94	9.75	8.73%	10.26%
Trimmed Average					23.13	20.87	4.13%	4.80%			10.94	9.75	8.73%	10.26%
High					25.22	30.65	4.53%	5.43%			19.71	17.80	9.59%	13.05%
Low					(2.58)	18.41	3.96%	3.26%			1.97	7.66	5.07%	5.62%
Say							4.55%						9.65%	

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Debt Capitalization Rate

Industry: Incorporated Pipelines

2020 Assessment Year

(\$ in Millions)

A	B	C	D	E	F	G	H	I	J
Ticker	Company	YE 2019 Interest Exp.	YE 2018 MV LT Debt	YE 2018 BV LT Debt	YE 2019 MV LT Debt	YE 2019 BV LT Debt	2019 Avg MV LT Debt	2019 Current Yield	MTBR
	<i>Source</i>	<i>10-K</i>	<i>10-K</i>	<i>10-K</i>	<i>10-K</i>	<i>10-K</i>	<i>(D+F)/2</i>	<i>(C/H)</i>	<i>(F/G)</i>
ENLC	EnLink Midstream LLC	216	4,065	4,431	4,444	4,764	4,255	5.08%	0.93
KMI	Kinder Morgan Inc.	1,801	37,469	36,593	38,016	33,360	37,743	4.77%	1.14
OKE	ONEOK Inc.	492	9,600	9,381	13,800	12,487	11,700	4.20%	1.11
WMB	Williams Cos.	1,218	23,330	22,414	25,319	22,288	24,325	5.01%	1.14
	All Companies	3,727			81,579	72,900	78,022	4.78%	1.12
Average								4.76%	1.08
Median								4.89%	1.12
Trimmed Average								4.89%	1.12
High								5.08%	1.14
Low								4.20%	0.93
Say								4.90%	4.12

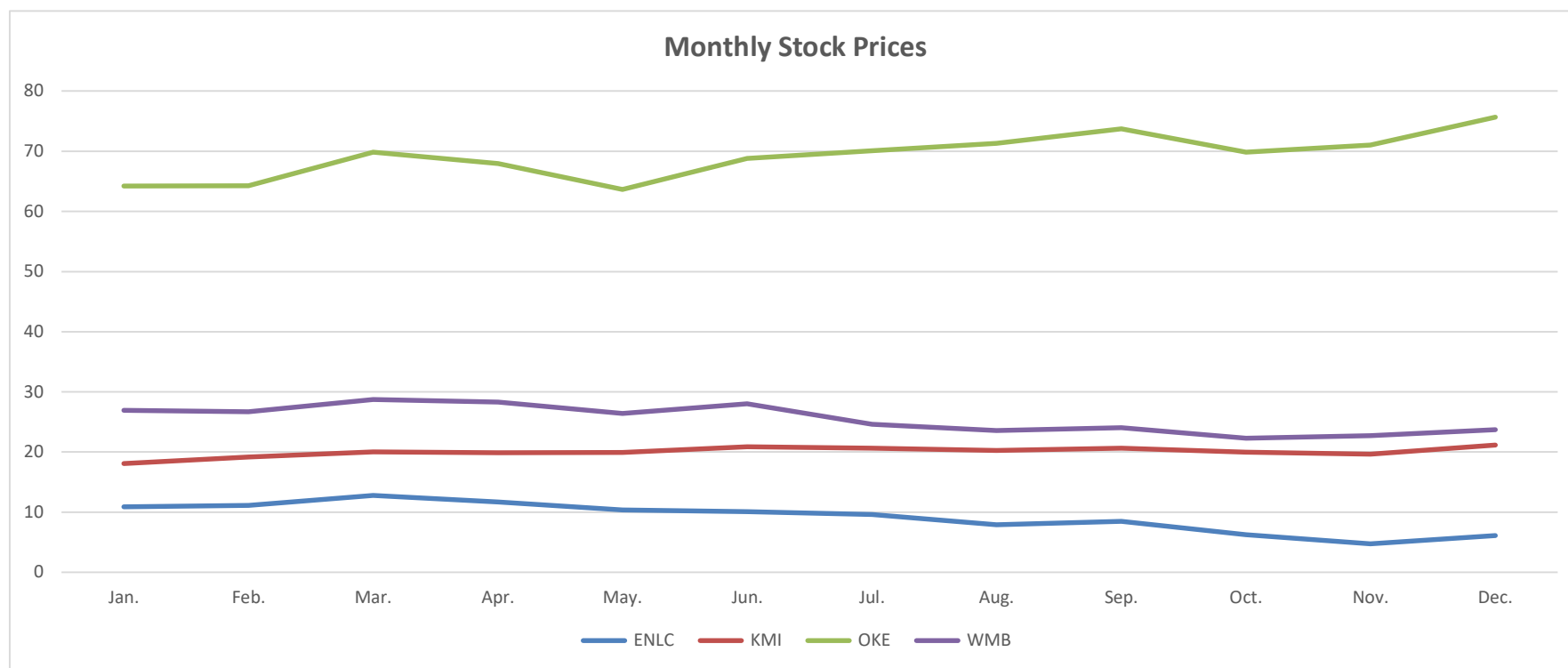
MONTANA DEPARTMENT OF REVENUE

Support of Stock Price - From YAHOO Finance

Industry: Incorporated Pipelines

2020 Assessment Year

		End of Period Closing Stock Price											
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker	Company	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
ENLC	EnLink Midstream LLC	10.88	11.15	12.78	11.69	10.38	10.09	9.6	7.94	8.5	6.25	4.75	6.13
KMI	Kinder Morgan Inc.	18.1	19.16	20.01	19.87	19.95	20.88	20.62	20.27	20.61	19.98	19.61	21.17
OKE	ONEOK Inc.	64.21	64.26	69.84	67.93	63.62	68.81	70.08	71.28	73.69	69.83	71.05	75.67
WMB	Williams Cos.	26.93	26.69	28.72	28.33	26.38	28.04	24.64	23.6	24.06	22.31	22.72	23.72



MONTANA DEPARTMENT OF REVENUE

Maintenance Capital Expenditures Estimate Based on Guideline Companies

Industry: Incorporated Pipelines

2020 Assessment Year

(\$ In Millions)

1	2		3	4	5	6	7	8	9	10	11
A	B	C	D	E	F	G	H	I	J	K	L
Ticker	Company	Inflation	PP&E, Gross Current Year	PP&E, Gross Previous Year	Average PP&E	Depreciation Expense	Average Life of Assets			Replacement Cost (RC)	RC as % of Depreciation
								Note [1]	Note [1]	Note [1]	
		MTDOR (CPI)	10-K, Notes	10-K, Notes	(D+E)/2	10-K (CF)	F/G	C*H	1/(1+C)^H	G*I/(1-J)	K/G
ENLC	EnLink Midstream LLC	2.20%	10,500	9,814	10,157	617	16	0.36	0.70	742	120.28%
KMI	Kinder Morgan Inc.	2.20%	53,369	53,256	53,313	2,411	22	0.49	0.62	3,071	127.36%
OKE	ONEOK Inc.	2.20%	22,051	18,031	20,041	477	42	0.93	0.40	735	154.32%
WMB	Williams Cos.	2.20%	41,510	38,661	40,086	1,714	23	0.51	0.60	2,211	128.99%
Average											132.74%
Median											128.18%
High											154.32%
Low											120.28%
Selected											128.00%

Notes

[1] Cornell, B. & Gerger, R. (2017). Estimating Terminal Values with Inflation: The Inputs Matter-It Is Not a Formulaic Exercise. *Business Valuation Review*, Volume 36, Number 4, 117-123.